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Testimony of Phil Sherwood
Before the Labor Committee 2/20/07

Good afternoon Senator Prague, Representative Ryan and other members of the Labor Committee. My name is Phil Sherwood and I'm the Legislative Director for the Connecticut Citizen Action Group (CCAG). CCAG has approximately 30,000 member families in the state of CT.

CCAG supports several bills that are on today's agenda. CCAG supports the concept put forth in **SB601, AA Mandating Employees to Provide Paid Sick Leave to Employees**. Families need this time to recover from illnesses, for routine medical appointments, or to care for sick family members. With so many working families or individuals living paycheck to paycheck, it's unreasonable not to require that fulltime employees should be granted 7 paid sick days year. To lose a couple days of pay in a given week is enough to send many family budgets into a tailspin.

The U.S. Department of Labor conducted a national survey in 2000 and found out that more than three in four employees who need sick leave, but did not take leave, cited lost wages as the primary reason.

We've now become accustomed to presenteeism in our workplaces. That is, employees are going to work ill and are not only unable to perform at their usual level of productivity, but they also risk spreading their illnesses to co-workers. SB601 is a pro-family bill that affects the economic security of 40% of all working people in the state and CCAG is proud to endorse.

CCAG also strongly supports HB5702, ACC Safe Workplaces. The concept of this bill would create a flexible and sustainable program through an institute at the UCONN Health Center with the aim of helping CT's companies identify and transition to Safer Alternatives from toxic chemicals. Toxic chemicals are a huge liability on the business community and expose the public through common household goods and consumer products such as building materials, cleaning chemicals and pesticides.

This year the E.U. has begun to implement new regulations on chemical substances used in manufacturing, with the end goal of reducing over 30,000 toxic substances and phasing out 1,500 of the most toxic substances. Connecticut companies wishing to sell products in Europe are now responsible for eliminating their use of the high-hazard toxins. This "safer alternatives" approach will assist Connecticut businesses in competing in a changing marketplace, where toxic chemicals are an ever increasing liability. CT companies will need assistance to find out safe substitutes that will also perform well in their business, and companies and workers will need training in how to inventory, assess, and substitute chemicals.

Companies using and/or producing large quantities of hazardous substances (i.e., those that must report to the national Toxic Release Inventory) will be required to report their use of highly hazardous toxins, as determined by the U.S. EPA, to the CT Department of Environmental Protection on an annual basis.

Starting with the 1,500 toxins identified for phase-out in the European Union, and then proceeding to the 30,000 substances the E.U. plans to phase out in the coming years, the institute will assist Connecticut businesses in assessing safer alternatives to toxic chemicals and transitioning to safer workplaces.

Specifically, the institute will:

- Gather data, conduct research, and promote alternatives to health-damaging substances and work environments in Connecticut industries and communities
- Provide resources, tools, training and support to make Connecticut a safer place to live and work
- Promote economic competitiveness through improved efficiency, compliancy stability and reduced risk

MA has a model that would be a starting point, with the Toxics Use Reduction Institute (TURI), a program with an overall budget (including related agencies that consult with industry) of about \$3.5 million per year.

CCAG would also like to express our support for HB6678, AA Increasing the Availability of Health Care for CT Workers. We believe CT should set a minimum percentage of premium dollars that must be spent on medical care (as opposed to administrative costs), in an effort to control health care premiums and increase the availability of health care for the states residents. When insurers initially set their premiums, they must estimate what they will spend on medical claims over the course of the year. In some states, if an insurer's expenses for medical claims are lower than anticipated and it does not meet the medical loss ratio, the insurer must refund the excess premium dollars to consumers at the end of the year.

Example: New Jersey requires individual and small group insurers to spend at least 75 percent of premium dollars on medical care. At the beginning of the year, when insurers set their premiums, they file a certification that medical claims will exceed 75 percent of premiums. At the end of the year, if the amount spent on medical claims is less than 75 percent of collected premiums, they must issue refunds to enrollees in their health plans to make up the difference.

According to Families USA, the New Jersey Insurance Department reports that this is an easy system for the state to administer—insurers know whether they have met the standard, and they process refunds when they do not.

Insurers are currently spending less of every dollar they take in on medical care than ever before, while their profits increase.ⁱ Meanwhile, we are spending 31% of every health care dollar on administrative costs in the private marketⁱⁱ versus less than 5% in traditional Medicare.

CCAG supports efforts by the legislature that explore possibilities of expanding the state employee health insurance plan. **HB6333, AA Expanding the state Employee Health Care Plan, is a step in the right direction.**

ⁱ AMEDNEWS 3/6/06

ⁱⁱ New England Journal of Medicine 10/03